

BOARD OF MANAGEMENT

Minutes: 10 December 2018

Present: Keith McKellar (Chair)
Liz Connolly, Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Jenifer Johnston, Lyndsay Lauder, John Leburn, John McMillan, Mac Murray, Mark Newlands, Nicole Percival, Danny Walls, David Watson.

Attending: David Mark (Co-opted Member of ODHR Committee), Stephanie Graham (Vice Principal Educational Leadership), David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), David Gunn (Director, Organisational Development and HR), Joe Rafferty (Head of Organisational Development and HR - for item BM495 only); Gwen McArthur (Secretary to the Board).

Apologies: Nick Allan, Mike Haggerty, Linda Johnston, Angela Wilson.

BM494 WELCOME

On behalf of the Board the Chair welcomed David Mark (Co-opted member of Organisational Development and HR Committee), Alan Ritchie (Director of Finance and Estates), David Gunn (Director, Organisational Development and HR) and Joe Rafferty (Head of Organisational Development and HR) to the meeting.

BM495 WORKFORCE PLAN 2019-2024 (BM488.4)

The Director, Organisational Development and HR, presented the draft Workforce Plan 2019-2024 to the Board. It was noted that the Workforce Plan had been developed in line with the guidance issued by Audit Scotland, 'Scotland's public sector workforce – Good practice guide', following an Internal Audit report in April 2017. The Internal Audit Report had identified best practice in the workforce planning arrangements. It had also noted a number of areas where existing arrangements could be improved to fully align with best practice. The aim of the Plan was to 'future proof' the College in terms of its staffing. The skills and expertise of the current staff and an analysis of future skills required was being undertaken as part of the workforce planning process. A gap analysis would then help identify what actions the College needed to take in order to ensure it had the skills and expertise it required in the future. An action plan had been prepared to show how the Workforce Plan would be implemented.

The Board welcomed this Plan and the following points arose in discussion:

- The rate of change in skills requirement was rapid and unlikely to slow down in the future, which had implications for upskilling or re-skilling of the

College's own workforce as well as providing opportunities to other learners.

- Staff costs accounted for approximately 74% of the College's total expenditure, so it was critical to the future success of the College to get this right.
- It was recognised that staff communications on workforce planning would need to ensure that there was an understanding that the College was adopting best practice to future proof the College.
- Changes in Regional demographics and the Scottish Government priorities would continue to influence the Plan, as would a range of factors.
- The People Strategy would be updated in 2019 and would take account of the Workforce Plan and its associated implementation and action plan.

The Board welcomed the Workforce Plan 2019-2024 which would be implemented through the Senior Management Team (SMT). The Organisational Development and HR Committee would continue to consider and monitor the development of the People Strategy, taking into account the implementation and action plan associated with the Workforce Plan and progress made, and would report to the Board as appropriate. The Board **approved** the Workforce Plan 2019-2024. **[Action: DG]**

BM496 BOARD AGENDA AND STRUCTURE OF MEETINGS

The Chair raised the matter of the structure of the Board agendas and meetings. The Board **agreed** that it wished to continue to take strategic issues as a main item early on in its meetings so that time could be devoted to an in-depth discussion of these matters. The Committees were invited to suggest possible future items which would be considered. It was noted that the Learning, Teaching and Quality Committee had discussed this matter at its last meeting and indicated it would like to bring forward a matter for discussion at a future meeting. The Chair, Principal and Secretary would consider this matter further and bring forward proposals for items to be discussed at future meetings. **[Action: KM; LC; GMcA]**

BM497 DECLARATION OF INTERESTS

John McMillan and David Alexander declared an interest as Trustees of the West College Scotland Foundation. David Alexander also declared an interest as a member of the Council of the Scottish Funding Council (SFC) and Chair of the SFC Audit and Compliance Committee.

BM498 MINUTES

The minutes of the meeting held on 8 October 2018 were approved.

BM499 ACTIONS FROM THE MINUTES

The Board noted the actions taken since the last meeting, and particularly the following:

.1 Cyber Essential Plus Accreditation (BM488.3; 414) – the Board was pleased to note that the College had achieved Cyber Essential Plus accreditation. This was a significant achievement and was in line with the Scottish Government directive to all public sector bodies. The Board congratulated all involved in achieving this accreditation.

BM500 GREENOCK OUTLINE BUSINESS CASE (BM483)

At its last meeting the Board had approved the revised Options Appraisal and Outline Business Case (OBC) for the development of the Greenock Campus at the East India Docks site and had agreed that, once confirmation was received from Inverclyde Council that they would support this development through amendments to the Local Development Plan for Greenock, the revised OBC be submitted to the SFC. Since then it was noted that the relevant committee of Inverclyde Council had rejected all of the proposals submitted by the College in response to the consultation on the Local Development Plan for Greenock and had decided not to change its Plan. This meant that no changes could be made to the Local Development Plan without going through the Reporter system.

The Board was disappointed with this outcome and surprised by it as the College had been led to believe that the Council was working with the College to deliver these plans. It was extremely disappointing that one of the College's main Regional strategic partners had not supported the College proposals, especially after giving positive feedback at an earlier stage. In discussion it was noted that the SFC did not require OBC estates development plans to have planning approval from the Local Authority before being submitted to them for consideration as planning approval could be sought at a later stage in the process. It was also noted that the College could submit an appeal to the Reporter.

The Board's Estates Committee would meet the following day where this matter would be discussed in more depth. The Board **agreed** that the Estates Committee be delegated responsibility to decide how best to proceed with this matter and to take action as appropriate. **[Action: Estates Committee]**

BM501 CHIEF EXECUTIVE'S REPORT (BM485, 482)

The Board received a report from the Principal and Chief Executive, and noted the following matters in particular:

- i. Business Transformation Plan** – at its last meeting the Board had approved the Business Transformation Plan, 'Future Proofing our College'. Since then the Plan had been submitted to and discussed with the SFC. The SFC had indicated that they needed further information, particularly in relation to the distance learning provision. The College was aiming to provide a more flexible and blended approach to learning in the future, and a Short Life Working Group, comprising both College and SFC staff, had been established to consider this

matter further and the best way to take this forward. The SFC had also asked for more information on the projects contained in the Plan. A further meeting with the SFC would be held the following day to discuss the issues raised by them in relation to the Plan and how best to take these forward. The Board would be kept informed of progress in these discussions with the SFC.

It was noted that the Enterprise and Skills Strategic Board had recently published its Strategic Plan and it was proposed that the Business Transformation Plan, when next revised, should ensure that it tied in with this Strategic Plan. **[Action: LC]**

It was also noted that further savings would be achieved under the Voluntary Severance (VS) scheme.

- ii. National Bargaining** – the Board noted a letter that had been jointly signed by the Chairs and Principals of four colleges in Scotland, including West College Scotland, and had been sent to the Chair of the Employers Association. This letter raised some concerns around the governance of the recent negotiations process and the communications surrounding this. A meeting between the Chairs and Principals of the four colleges and the Chair of the Employers Association was arranged for later in the week. The Board would be informed of the outcome of this meeting. **[Action: KM; LC]**

It was also noted that the EIS would be conducting a ballot of its members before Christmas in relation to a claimed for pay uplift. The outcome of this ballot might lead to members of the EIS taking industrial action.

- iii. Key Performance Indicators (KPI's)** – the Board noted the key performance indicators (KPI's) that had been updated since the last meeting.

- iv. Brexit** – the Board noted a report on the potential impact of Brexit on the further and higher education sectors in Scotland which had been prepared by a group established by the Scottish Government and the SFC. The Board was pleased to note that Sara Rae, Director of Business, Enterprise and Innovation at the College was a member of this group.

A further paper on the likely impact of Brexit in relation to European Structural Funds and the college sector had been tabled at the meeting for information. The Board welcomed this information and also the briefing paper that had been produced by Drew McGowan, Policy Officer, on the potential impact of Brexit on the College. This latter briefing paper was well presented and the Chair had forwarded this on to Colleges Scotland for information.

The Chair informed the Board that, as indicated at the last meeting, he was keen to establish a small group to look at the potential impact of Brexit on the College. The Board supported this idea and suggested that this small group should look at a wider remit than Brexit and consider what kind of College there should be in the future and align this with the potential impact of Brexit. The small group should be able to identify the issues that the College needed to address. **[Action: KM]**

- v. **Corporate Strategy** – it was noted that the draft Corporate Strategy had been placed on the College staff intranet and had been discussed at a series of recent meetings with all staff across the College. Members of staff were encouraged to provide their views and comments on this by the end of December, following which it would be finalised.
- vi. **Evaluative Report and Enhancement Plan** – the Board noted the final edition of the Evaluative Report and Enhancement Plan which had been submitted to the SFC.
- vii. **Annual Review** – the Board noted the Annual Review 2018.

BM502 FINANCIAL STATEMENTS 2017-18

The Board received the following information: the Internal Auditors Annual Report 2017-18; the Audit Committee Annual Report 2017-18; the External Auditors Report and Letter of Representation 2017-18; and the Financial Statements for the College for the period ending 31 July 2018.

.1 Internal Auditors Annual Report 2017-18

The Board noted the Annual Report from the Internal Auditors, Scott-Moncrieff, for the year ended 31 July 2018. The Internal Auditors had confirmed that *'sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and accuracy of the conclusions reached and contained'* in their report. The Board was pleased to note the Internal Auditors opinion:

"In our opinion West College Scotland has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks".

The Board **approved** the Internal Auditors Annual Report 2017-18.

.2 Audit Committee Annual Report 2017-18

The Board noted and **approved** the Annual Report from the Audit Committee for the year ended 31 July 2018.

.3 External Auditors Report and Letter of Representation 2017-18

The Board noted the Report and Letter of Representation from the External Auditors, Mazars, for the year ended 31 July 2018. It was pleased to note that the External Auditors had been satisfied with the outcomes of the external audit and would be issuing an unqualified audit report for the College. Additionally, the Board was pleased to note that the External Auditors had no management recommendations arising from the 2017-18 audit. The Auditors confirmed that they were satisfied with the information contained in the Financial Statements, which complied with the reporting requirements, and had confirmed the College's ability to continue as a going concern.

The Auditors had, however, raised some wider operating environment issues in their report which were of concern for the sector. These related to the financial challenges facing the sector, particularly in relation to financial planning and future sustainability, and the need for significant investment in estates and IT infrastructure. The College had already considered these matters in some detail and they were included in the Strategic Risk Register.

The Board was pleased to note that the External Auditors had confirmed that they were impressed by the quality of information coming forward from the College and the assistance they had received from the College Finance Team.

On the recommendation of the Joint Meeting of the Audit and Finance & General Purposes Committees, the Board

RESOLVED that the External Auditors Annual Report for the year ended 31 July 2018 be approved and the Chair and the Principal be authorised to sign the Letter of Representation on behalf of the Board. **[Action: KM; LC]**

.4 Financial Statements for the Year Ended 31 July 2018

The Board received the Financial Statements for the College for the year to 31 July 2018. The Financial Statements had been prepared in accordance with the relevant reporting requirements. It was noted that, while the Financial Statements showed a significant accounting deficit, the underlying operating position of the College showed a small operating surplus of £19k which was essentially a break-even position. The Finance and General Purposes Committee had been of the view that the College's financial performance was measured in a number of different ways which might not be clear to those outside the sector. It was noted that an additional statement had been added to the section 'Highlights of the Year' in order to aid the understanding of those not familiar with the reporting requirements.

It was noted that the Joint Meeting of the Audit and Finance and General Purposes Committee had considered these Financial Statements in detail at its meeting and had recommended approval to the Board. The Joint Meeting had also considered and approved reports from Scott Moncrieff, who had been the external auditors for the following: SFC Credit Activity 2017-18 and Student Support Funds 2017-18. The Audit Reports and Certificates had been issued to the SFC. The Board was pleased to note that there had been no recommendations arising from any of these reports.

In light of the above information the Board

RESOLVED that the Financial Statements for the year ended 31 July 2018 be approved and the Chair and Principal be authorised to sign these on behalf of the Board. **[Action: KM; LC]**

On behalf of the Board the Chair thanked the Vice Principal Operations, the Director of Finance and Estates and the Finance Team for all their hard work in achieving such a good outcome.

BM503 STRATEGIC RISK REGISTER (BM484)

The Board considered the Strategic Risk Register. It was noted that the Senior Management Team (SMT) had updated the Risk Register and most of the Board Committees had reviewed it. However, the Estates and Audit Committees had still to review it due to the timing of meetings within the current cycle. The Audit Committee would be considering the risk appetite with a view to developing this. The College was keen to continue to be innovative in how it managed risks but also had to ensure that it was compliant with the legislation and other requirements. The Board **agreed** that, subject to any further input from the Estates and Audit Committees, the Strategic Risk Register be approved.

BM504 STUDENTS ASSOCIATION REPORT (BM486)

Nicole Percival, Vice President of the Students Association, updated the Board on the activities of the Students Association, and particularly the following:

- The first session of class representative training had been completed and the next training sessions were schedule for January/February.
- The first round of Student Representative Council meetings had taken place and the feedback obtained from these meetings would be taken forward as appropriate with a report back to students on the actions taken.
- The Students Association were working closely with the Student Advisory team particularly with regards to support for students who were Care Experienced and Carers. James Morrison, Vice President of the Students Association, was the Care Experienced Ambassador for the College and Nicole Percival, Vice President, was the Carers Ambassador for the College and both had attended a number of events representing the College.
- Work on the Respect campaign had begun with the aim being to launch this by March.
- The 'Healthy body, healthy mind' was an on-going campaign and the Board noted an update on progress to date.
- It was noted that, following a number of incidents, the student common areas at Paisley had been closed. The Students Association were working closely with the Estates team on how best to move this forward.

The Board welcomed this report and was pleased to note the progress made on a range of matters.

BM505 CHAIR'S REPORT (BM487)

The Board noted the Chair's report and particularly the following:

- i. **Enterprise and Skills Strategic Board** – had issued its strategic plan which had been circulated to all Board members for information.
- ii. **Strategic Session for Board** - the Chair was aiming to hold a strategic session for the Board, possibly in February. This would be a half-day session and, amongst other things, might review the current Committee structure.
- iii. **Colleges Scotland** – the Chair was intending to invite representatives of the Communications and Public Affairs section of Colleges Scotland to a Board meeting to inform the Board of their role and future plans.
- iv. **Board Diversity** – the Chair reminded members that the survey on Board diversity issued by the Commissioner for Ethical Standards on Public Life in Scotland was still open and encouraged members to complete this survey.

BM506 COMMITTEE REPORTS

The Board noted the following reports:

.1 Corporate Development Committee

The Board noted the minutes of the meeting of the Corporate Development Committee held on 23 October 2018, and particularly the following:

- i. **Alternative Income (CDM189)** – the Board was pleased to note that the College had exceeded its target for alternative income in 2017-18. It was acknowledged that this had taken a significant amount of effort to achieve such a good outcome and the College had been particularly successful in securing funding through the Flexible Workforce Development Fund. A new target had been set for 2018-19 and the Committee would support the College in its efforts to achieve this.
- ii. **Customer Relationship Management System (CDM187)** – it was noted that the College was investigating the possible investment in a Customer Relationship Management (CRM) system. It was the aim that any new system purchased would be able to communicate with other appropriate systems already in place in the College and would help the staff better manage the range of external contacts/relationships. All options were currently being explored.
- iii. **Ethical Approach to Business/Sustainability and CSR (CDM181)** – the Board noted that a revised statement on the College's approach to Sustainability and Corporate Social Responsibility had been approved by the Committee and was now on the College website.

.2 Learning, Teaching and Quality Committee

The Board noted the draft minutes of the meeting of the Learning, Teaching and Quality Committee held on 24 October 2018 and particularly the following:

- i. **Student Enrolment (LM288)** – the Board was pleased to note that the College was on track to achieve this year's credit target. However, recruitment at the Greenock campuses continued to cause some concern as the full-time student numbers continued to reduce, but this was partially

off-set by an increase in the number of part-time students. Staff were currently investigating the reasons behind this and what actions could be taken to address any issues raised.

- ii. **Students' Association Activity (LM287)** – the Committee continued to be impressed by the range of activities that the Students Association was undertaking and the successes they were achieving.
- iii. **Standalone Key Stakeholder Group Scotland (LM286.3)** – it was noted that the College was the only College in Scotland that was a member of this Group which had been set up to develop and take forward, with Stand Alone, a national strategy for change for estranged higher education students in Scotland.
- iv. **Student Survey 2017-18 (LM292)** – the Board noted the report on the feedback obtained from the Student Survey 2017-18. This showed that the feedback was broadly in line with the previous year's findings, and the positive leaver destinations for West College Scotland students had improved over the previous year.

.3 Organisational Development and HR Committee

The Board noted the minutes of the meeting of the Organisational Development and HR Committee held on 7 November 2018 and particularly the following:

- i. **Security and Fire Prevention (OM224)** – at its last meeting the Board had asked the Committee to consider the security and fire prevention systems in place. The Committee had received a report on this matter and confirmed that it was satisfied with the arrangements currently in place.
- ii. **Annual Effectiveness Review of the Board of Management (OM228)** – the Committee was considering the approach to be taken to the next external review of the Board's performance. Further information on any guidance relating to conducting such reviews was being sought from the SFC and the College Development Network (CDN).

.4 Finance and General Purposes Committee

The Board noted the minutes of the meeting of the Finance and General Purposes Committee held on 20 November 2018, and particularly the following:

- i. **College Finance System (FPM236)** – in light of the continued lack of progress with the new finance system the Committee had agreed that the College should take the appropriate steps to determine how best to terminate the contract [REDACTED].
- ii. **Management Accounts to 31 October 2018 (FPM229)** – the Board noted the Management Accounts for the first quarter to 31 October 2018. It was noted that the College was making good progress to achieving its savings target. However, this could be impacted if an agreement with the EIS was reached during the course of the year as this would have cost

implications for the College thereby increasing the savings target to be achieved.

.5 Joint Meeting of Audit and Finance and General Purposes Committee

The Board noted the minutes of the Joint meeting of the Audit and Finance and General Purposes Committees held on 20 November 2018.

- i. Fraud Report (AFM13)** – the Committee meeting had been informed of a fraud investigation currently underway within the College. An update on progress with this investigation was provided to the Board.

BM507 BOARD: COMMITTEE MEMBERSHIP, SCHEDULE OF BUSINESS AND DATES OF MEETINGS 2018/19 (BM489)

The Board noted its membership, proposed schedule of business for 2018/19 and the dates of Board and committee meetings for session 2018/19.

BM508 REPORT ON DELEGATED ACTION TAKEN SINCE LAST MEETING

None

BM509 GRADUATIONS

The Board members wished to congratulate all staff who had been involved in the organisation of the recent Graduation ceremonies. These had been excellent events and enjoyed by all who had attended them.

BM510 NEAT LIVING

The Board members and members of SMT had been invited by Neat Living to visit their facility and hear about this enterprise. This visit would take place on the afternoon of 22 January 2019 and further information would be emailed to Board members following the meeting.

BM511 NEXT MEETING

Monday 4 February 2019 at 4.00 p.m. at the Paisley Campus.

GMcA/14.12.18/Final